

Second Semester LL.B. Three Years Course (CBS) Examination

LAW OF CONTRACT-II

Compulsory Paper – 1

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) Attempt **all** questions.

Section **A** consists of **10** marks

Section **B** consists of **30** marks

Section **C** consists of **40** marks.

(2) Follow the instructions given in each section.

(3) Marks are indicated against each question.

SECTION—A

1. Choose the correct alternative (any **ten**) : 1×10=10

(i) Contract of indemnity is defined under _____ of Indian Contract Act 1872,

(a) Section 126

(b) Section 124

(c) Section 125

(d) Section 130

(ii) _____ is an exception to contract of Insurance which is covered under the contract of indemnity.

(a) General Insurance

(b) Life Insurance

(c) Marine Insurance

(d) Carriage Insurance

(iii) Who amongst the following is not a party to contract of guarantee ?

(a) Principle debtor

(b) Creditor

(c) Surety

(d) Indemnity holder.

(iv) A guarantee which extends to series of transactions is called _____ .

(a) Collateral guarantee

(b) Contingent guarantee

(c) Continuing guarantee

(d) Suretyship

(v) Pledge is a special kind of _____ .

(a) Sale

(b) Indemnity

(c) Bailment

(d) Hire-purchase

(vi) 'A' delivers a cloth to 'B', a tailor for making a shirt. The contract between 'A' and 'B' is _____ .

(a) Agency

(b) Mutual agency

(c) Bailment

(d) Employment.

- (vii) _____ is true test for the determination of partnership.
- (a) Sharing of profits (b) Mutual agency
(c) Carrying of business (d) Minimum two partners.
- (viii) In case of contract of sale of goods, consideration _____ .
- (a) May be anything
(b) Shall be something in eyes of Law
(c) Must be price
(d) Is comprised of mutual exchange of goods.
- (ix) _____ is/are a kind of agent ?
- (a) Del credere (b) Factor
(c) Broker (d) All the above
- (x) _____ is not an illustration of creation of Agency by express Agreement.
- (a) Agency by estoppel (b) Agency by holding out
(c) Agency out of necessity (d) All the above
- (xi) _____ means “No one can convey a better title than what he himself possess.”
- (a) Caveat Emptor
(b) Nemo dat quod non habet
(c) Exturpi causa oritur non actio
(d) Ubi jus ibi remedium.
- (xii) “The law as to partnership is undoubtedly a branch of the law of principal and agent. It is thus an extension of contract of agency”. This observation was made by House of Lords in _____ .
- (a) Grace v/s Smith (1775) 2 WM. BL 998
(b) Cox v/s Hickman (1860) 11 ER 431
(c) Waugh v/s Carver (1793) 2 HBL, 235
(d) Prager v/s Blatspiel Stamp and Heacock Ltd (1924) 1 KB
- (xiii) Goods identified and agreed upon at the time a contract of sale is made are called _____.
- (a) Specific Goods (b) Future goods
(c) Unascertained goods (d) Contingent contract.
- (xiv) _____ is a stipulation essential to the main purpose of contract of sale of goods, the breach of which gives rise to a right to treat the contract as repudiated.
- (a) warranty (b) guarantee
(c) co-lateral security (d) prediction.

(xv) Which of the following statements is false ?

- (a) In certain cases, breach of condition may be treated as breach of warranty.
- (b) A breach of warranty can not be treated as breach of condition.
- (c) Breach of warranty gives rise to repudiate the contract.
- (d) Warranty is a stipulation, collateral to the main purpose of contract.

SECTION—B

2. Attempt the following (any **three**) : 5×3=15
- (a) Explain the contract of Indemnity with illustrations.
 - (b) Distinguish between bailment and pledge.
 - (c) Explain various kinds of partners.
 - (d) Discuss the essential elements of contract of guarantee.
3. Write short notes (any **three**) : 5×3=15
- (a) Del credere agent
 - (b) Particular Partnership
 - (c) Bailee's right to lien
 - (d) Continuing guarantee.

SECTION—C

- 4. Define conditions. Distinguish it from warranties. Give illustrations.
- 5. Define Partnership. Explain the rights and duties of partners.
- 6. 'A' had stolen certain goods and pledged them with a money lender, who believed that they belong to 'A'. Explain the right of the money lender to recover the loan amount given to 'A', who was subsequently arrested on the charge of theft.
- 7. Define pledge. Explain the rights and duties of Pawner and Pawnee.
- 8. Explain the rights and duties of seller and buyer before and after the sale.
- 9. Elaborate the rights of a surety against the creditor and principal debtor.
- 10. Explain the maxim, "Nemo dat quod non habet." State its exceptions.
- 11. Explain the procedure for registration of a partnership firm. State the disabilities imposed upon an unregistered partnership firm. 8×5=40